



JOHN NAIMO  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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June 11, 2015

TO: Supervisor Michael D. Antonovich, Mayor  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe

FROM: John Naimo   
Auditor-Controller

SUBJECT: **HOMES FOR LIFE FOUNDATION – A DEPARTMENT OF MENTAL  
HEALTH SERVICE PROVIDER – PROGRAM REVIEW**

We completed a program review of Homes for Life Foundation (HFLF or Agency), which included a sample of billings from Fiscal Year (FY) 2014-15. The Department of Mental Health (DMH) contracts with HFLF to provide mental health services, including interviewing Program clients, assessing their mental health needs, and implementing treatment plans.

The purpose of our review was to determine whether HFLF provided the services and maintained proper documentation, as required by their County contract.

DMH paid HFLF approximately \$1.3 million on a cost-reimbursement basis for FY 2014-15. The Agency provides services in the Fourth Supervisorial District.

**Results of Review**

HFLF generally maintained adequate documentation for billings reviewed. However, HFLF billed for Targeted Case Management Services for one client in which the Progress Note did not describe how HFLF's staff assisted the client to access needed medical, alcohol and drug treatment, educational, social, prevocational, vocational, rehabilitative, or other community services. We also noted that one (10%) of the ten staff did not have the required qualification to provide assessment services. Specifically, the staff provided an assessment service but was not a registered or waived clinician as required by the DMH's A Guide To Procedure Codes, Page 1.

Details of our review, along with recommendations for corrective action, are attached.

**Review of Report**

We discussed our report with HFLF and DMH. HFLF's attached response (Attachment II) indicates that they agree with our findings and recommendations. DMH will work with HFLF to ensure our recommendations are implemented.

We thank HFLF management and staff for their cooperation and assistance during our review. If you have any questions please call me, or your staff may contact Don Chadwick at (213) 253-0301.

JN:AB:DC:EB:nj

**Attachments**

c: Sachi A. Hamai, Interim Chief Executive Officer  
Dr. Marvin J. Southard, D.S.W., Director, Department of Mental Health  
Bentley Paul Stansbury, Board Chair, Homes For Life Foundation  
Carol Liess, Executive Director, Homes For Life Foundation  
Public Information Office  
Audit Committee

**HOMES FOR LIFE FOUNDATION  
DEPARTMENT OF MENTAL HEALTH  
PROGRAM REVIEW  
FISCAL YEAR 2014-15**

**PROGRAM SERVICES**

**Objective**

Determine whether Homes for Life Foundation (HFLF or Agency) maintained documentation in their case files to support the services billed to the Department of Mental Health (DMH) in accordance with their contract and related guidelines.

**Verification**

We selected 35 (6%) of the 581 approved Medi-Cal billings for September and October 2014, which were the most current billings available at the time of our review (March 2015). We reviewed the Assessments, Client Care Plans, and Progress Notes in the clients' charts for the selected billings. The 35 billings represent services provided to 15 clients.

**Results**

HFLF generally maintained adequate documentation for billings reviewed. However, for one (3%) of the 35 billings reviewed, HFLF billed for Targeted Case Management Services in which the Progress Note did not describe how HFLF's staff assisted the client to access needed medical, alcohol and drug treatment, educational, social, prevocational, vocational, rehabilitative, or other community services as required by the DMH Provider's Manual, Chapter 2, Page 35, resulting in an overbilling of \$129.

**Recommendations**

**Homes for Life Foundation management:**

- 1. Repay the Department of Mental Health \$129.**
- 2. Ensure Progress Notes are completed in accordance with their Department of Mental Health contract.**

**STAFFING QUALIFICATIONS**

**Objective**

Determine whether HFLF's treatment staff had the required qualifications to provide the mental health services.

**Verification**

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for ten (83%) of the 12 HFLF treatment staff who provided services to DMH clients during September and October 2014.

**Results**

One (10%) of the ten staff did not have the required qualification to provide assessment services. Specifically, the staff provided an assessment service but was not a registered or waived clinician as required by the DMH's A Guide To Procedure Codes, Page 1.

**Recommendation**

- 3. Homes for Life Foundation management ensure that treatment staff are qualified to provide the Department of Mental Health Program services.**



## **Homes for Life Foundation**

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8939 S. Sepulveda Boulevard, Suite #460, Los Angeles, CA 90045 Phone (310) 337-7417 Fax (310) 337-7413 [www.homesforlife.org](http://www.homesforlife.org)

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May 19, 2015

John Naimo  
Auditor-Controller  
County of Los Angeles Department of Auditor-Controller  
Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 525  
Los Angeles, CA 90012-3873

RE: Homes for Life Foundation Program Review

Dear Mr. Naimo:

Upon review of results from the Program Review, Homes for Life Foundation (HFLF) is providing the following Plan of Correction:

Assessment Service Completed by Unlicensed Provider:

The Annual Assessment Update form used at the time of the assessment in June 2014 allowed for the majority of the form to be completed by a non-licensed individual while certain portions required completion by a licensed individual. Though the form was reviewed and approved by a licensed staff, the Mental Health Rehabilitation Specialist completing this form did not follow proper protocol to have a licensed staff complete and sign relevant sections of the form.

Effective July 2014, HFLF discontinued use of the Annual Assessment Update. HFLF adopted the Department of Mental Health's Adult Re-Assessment form (MH713) which requires that the entire assessment be completed by a licensed practitioner. HFLF management has already provided training to staff on this requirement. Additionally, supervisors and quality assurance staff have been reminded of this requirement and will ensure that only appropriate staff are completing assessments.

Targeted Case Management Service Billing:

Homes for Life Foundation supervisors and quality assurance staff have provided all staff with additional training materials for review, to include service definitions found in DMH's Providers

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Manual. Training and review of service definitions and appropriate billing will also be conducted with staff as part of HFLF's next clinical team meeting on May 27, 2015.

Please review responses to each finding and contact me at 310.337.7417 x 21 or [cliess@homesforlife.org](mailto:cliess@homesforlife.org) if any other information is required, or if you should have any other questions.

Sincerely,

A handwritten signature in black ink, appearing to read "m. liess", is written over a horizontal line.

Carol M. Liess  
Executive Director  
HOMES FOR LIFE FOUNDATION